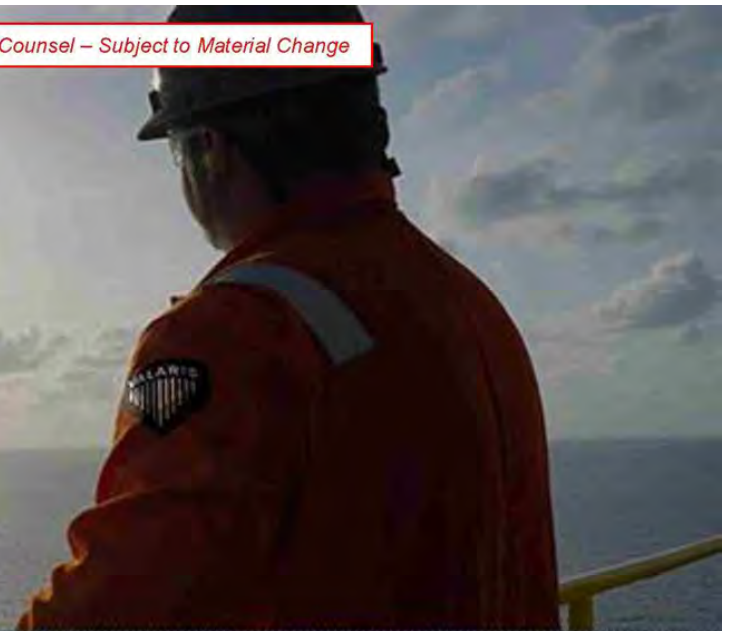


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Project Phoenix Discussion Materials

15 April 2020

CONFIDENTIAL

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DEBTORS' EX. 002

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Overview

- Valaris plc (the “Company”) and its subsidiaries are evaluating strategic alternatives to address possible near term liquidity challenges and the Group’s capital structure, including a potential equitization transaction
- Although the Company has not yet taken any decision as to the appropriate way forward, the Company has several potential implementation alternatives that may be available. The Company is continuing to engage in constructive discussions with creditors and shareholders in relation to their preferred method of implementation and the Company’s objective remains to build as much support for a transaction as possible
- Depending on the level of consent that can be achieved prior to launching a transaction and other circumstances outside of the Company’s control which may truncate the restructuring timeline, the Company may need to utilize a court proceeding to implement the transaction and it is appropriate for the Company to consider aspects of such implementation as a contingency
- In order to assist the Company in evaluating implementation alternatives and to ensure that there is a contingency plan, the following presentation outlines certain key economic aspects of implementing a potential equitization transaction through a Chapter 11 process and, in particular, the estimated amount of funding required to recapitalize Valaris, including the amount of DIP financing required to fund a restructuring process and the amount of exit financing required to emerge.
- Although certain of the analysis will also be relevant to other implementation alternatives (including, for example, an English law scheme of arrangement), it is intended to be indicative only and certain elements (e.g., the need for DIP financing) would not apply in respect of other implementation mechanisms
 - Analysis is based on the Company’s new “financing case” and makes certain assumptions about the costs of a Chapter 11 process to reorganize Valaris, treatment of creditors and the financial cushion required

Overview (cont'd)

- **Based on the assumptions outlined herein regarding the costs and timing of a reorganization, Valaris is estimated to require a DIP of approximately \$500 million to fund a Chapter 11 reorganization process**
 - This amount may not be fully utilized if the case is completed quickly and operational performance is in line with projections; any excess would be used to fund emergence costs
 - Size reflects a preliminary estimate and could be revised up or down as assumptions are refined
- **To repay the DIP, emerge from a restructuring and fund the business going forward, the Company is estimated to require exit financing of ~\$767 million, all of which is assumed to be funded as equity for purposes of this analysis, given limited free cash flow to service debt**
 - This exit financing requirement assumes that outstanding borrowings under the RCF as of the petition date are converted into equity under the restructuring plan; to the extent that RCF borrowings were rolled into a “take-back” debt facility, the Company would require additional new money to fund interest
 - Analysis assumes the Company has no access to revolving financing post-emergence; to the extent that the RCF lenders or other parties would extend further credit post-emergence, the amount of equity financing required would be reduced
- **These materials also provide additional analysis of the Company’s pro forma capital structure at various illustrative enterprise values (“TEVs”) given these restructuring assumptions and the impact on recoveries for noteholders and existing shareholders**
 - Shareholder recovery analysis includes the option value of potential warrants (using Black Scholes valuations) and primary equity allocations at illustrative TEVs
 - Analysis takes into account the impact of the equitization of the RCF and the raise of new equity capital and accounts for potential dilution to noteholders’ equity ownership in the reorganized company



Key Assumptions

In addition to the assumptions underlying the Company's revised operating forecast, this analysis makes a number of assumptions regarding the restructuring process for purposes of estimating a reorganized capital structure. In particular, and although the Company continues to explore a range of implementation routes, this analysis assumes implementation by way of a Chapter 11 plan

- Assumes, for illustrative purposes, an in-court process which is commenced at the end of Q2'20¹
 - RCF outstanding as of filing date is projected to be \$494 million; upon consummation of the reorganization, the drawn RCF amount is assumed to be converted into equity²
- The restructuring process is assumed to be financed with a \$500 million DIP term loan facility, which is sized to cover capital needs for 12 months, including operating cash burn, case costs, incremental LC/working capital requirements, interest costs and a 20% cushion
 - Illustratively assumed to be priced at 12% plus 150 bps fee for all-in, one-year pricing of 13.5%
 - Further diligence with restructuring advisor expected to refine DIP sizing and NWC needs
- The case is assumed to last 6 months, with the reorganization being effectuated at the end of FY2020
 - Company is assumed to incur \$75 million of case costs during the case, which is incremental to the costs to operate the business during the period; subject to further review and refinement with restructuring advisor
- At emergence on 12/31/2020 the following treatment is assumed:
 - DIP Loan repaid using available cash plus new equity capital
 - RCF Balance is converted into equity³
 - Senior Notes equitized in full
 - Treatment of existing equity TBD
 - DS-14 newbuild contract and note payable assumed to be rejected, saving ~\$200 million; DS-13 payments and all other trade and similar claims are unimpaired; assumption subject to further review with counsel and restructuring advisor
- In addition, the Company is assumed to be capitalized at emergence with additional equity investment sized to cover unlevered free cash flow burn through the trough liquidity point



1. Actual target filing date is July 15.
 2. In addition there are \$100 million of LCs outstanding.
 3. LCs outstanding assumed to remain in place post-reorganization.

DIP Financing Need Calculation and Projected Usage

(\$ in millions)

The following illustrates key assumptions used to size a potential DIP financing need in the context of a Chapter 11 plan as well as the illustrative usage assumed in the subsequent analysis herein

- For sake of conservatism, analysis includes operational and working capital cushions
- Additional analysis with Alvarez & Marsal will be required to refine estimates

DIP Financing Assumptions				
DIP Sizing (Assuming 12-month Case Plus Cushion)		Estimated Usage (Assuming 6-month Case & No Use of Cushion)		Delta
Unlevered Free Cash Flow Need	\$241	Unlevered Free Cash Flow Need	\$154	\$87
Case Costs	100	Case Costs	75	25
Funding Need Before Financing Costs	\$341	Funding Need Before Financing Costs	\$229	\$112
Plus: Operating Cushion (20% of UFCF & Fees)	68	Plus: Operating Cushion (20% of UFCF & Fees)	--	68
Plus: Incremental Working Capital / LC Cushion	100	Plus: Incremental Working Capital / LC Cushion	--	100
Total Need (Pre Financing Costs)	\$509	Total Need (Pre Financing Costs)	\$229	\$280
Less: Excess Cash above \$100 mm Minimum	(100)	Less: Excess Cash above \$100 mm Minimum	(100)	
Total Need Net of Excess Cash, Pre-Financing Costs	\$409	Total Need Net of Excess Cash, Pre-Financing Costs	\$129	\$280
Plus: Interest (at 12.0%)	60	Plus: Interest (at 12.0%)	30	30
Plus: Financing Fee (1.5%)	8	Plus: Financing Fee (1.5%)	8	--
Funding Need Including Financing Costs	\$477	Funding Need Including Financing Costs	\$167	\$310
Total Funding Need (Rounded)	\$500			
Memo: Cash at Emergence Assuming 12-month Case			Memo: Cash at Emergence Assuming 6-month Case	
	Assuming Full Use of Cushion	Assuming No Use of Cushion		Assuming No Use of Cushion
Minimum Cash Balance	\$100	\$100	Minimum Cash Balance	\$100
Plus: DIP Raise	500	500	Plus: DIP Raise	500
Less: Estimated DIP Uses	(477)	(309)	Less: Estimated DIP Uses	(167)
Cash at Emergence	\$123	\$291	Cash at Emergence	\$433

Level assumed in this analysis



Illustrative Sources & Uses

(\$ in millions)

The following outlines uses of liquidity at emergence and beyond in order to size the reorganized Company's new money need assuming the RCF is converted into equity

- Under these assumptions, the Company would need to raise new capital of ~\$767 million, which includes the amount required to repay the DIP and fund the reorganized business
 - If the RCF were rolled into a take-back facility, the new capital required would increase given interest costs
 - A longer restructuring process would have a higher funding requirement due to higher case fees and DIP interest

Illustrative Sources & Uses

Uses of Liquidity

DIP Repayment	\$500	
Minimum Cash	100	
<i>Sub-Total: Emergence Uses</i>	<u>600</u>	
UFCF Through Liquidity Trough	\$380	
Cushion to Operating Forecast (10% Decline in Marketed Revenue)	220	
<i>Sub-Total: Post Emergence Uses</i>	<u>\$600</u>	

◀ To be discussed

Total Uses

\$1,200

Sources of Liquidity

Projected Cash Balance at Emergence	\$433	
New Equity Financing	167	
<i>Sub-Total: Emergence Sources</i>	<u>\$600</u>	
Incremental New Equity Financing	\$600	
<i>Sub-Total: Sources to Fund Post Emergence</i>	<u>\$600</u>	

Total Sources

\$1,200

Total Equity Financing Required

\$767



PF Capital Structure & Equity Values Assuming Range of TEVs

(\$ in millions)

Given the assumptions of conversion of the RCF to equity and the raise of new equity capital, the Company would emerge with no debt and \$700 million of cash on the balance sheet

- The following analysis illustrates pro forma equity values given this negative net debt position and assuming an illustrative range of TEVs to determine potential allocations of the reorganized equity
- Assuming the new money capital raise and RCF conversion to equity are conducted at these values, these stakeholders would receive ~27% to ~47% of the reorganized equity, leaving between ~53% and ~73% of equity available for the noteholders and existing shareholders

Pro Forma Capital Structure		
Total Funded Debt at Emergence		\$--
Cash Balance at Emergence - PF for New Money		700
Net Debt at Emergence - PF for New Money		(\$700)
Pro Forma Equity Value and Ownership		
	Illustrative TEV	Equity Value / Ownership
Equity Value at Range of Illustrative TEVs (TEV - Net Debt)	\$2,000	\$2,700
	3,000	3,700
	4,000	4,700
Total New Money		\$767
New Money Share of Equity (New Money / Total Equity Value) ¹	\$2,000	28%
	3,000	21%
	4,000	16%
RCF Share of Equity (Equitized RCF Claim / Total Equity Value) ¹	\$2,000	18%
	3,000	13%
	4,000	11%
Share of Equity Available for Notes and Existing Equity (100% - New Money and RCF Equity)	\$2,000	53%
	3,000	66%
	4,000	73%



Note: TEV levels herein are illustrative; no valuation analysis has been performed.

1. Assumes no discount on new equity. RCF assumed to be converted at the post-money valuation; no addition from new money is assumed.

Warrant Analysis – Impact of Dilution on Strike Price

(\$ in millions)

Prior materials analyzing potential warrant packages for existing shareholders centered around a strike price of \$5.6 billion, which equals 85% of the noteholders' estimated claims; however, given the conversion of the RCF to equity and the raise of new equity capital, the noteholders' estimated recovery at this pro forma equity value would be substantially lower than 85% (between 45% and 62%)

- In order to set the strike price at a level where noteholders recover 85% of their claim, the strike price would have to be adjusted based on the share of equity allocated to noteholders
- Note the following does not include the impact of any dilution from primary equity allocated to existing shareholders

Diluted Strike Price Calculation					
Illustrative TEV (\$mm)	Equity Value	Share of Equity for Notes and Pre-petition Shareholders	85% of Noteholder Claim	Noteholder Recovery when Equity equals \$5.6 billion	Equity Value to Achieve 85% Noteholder Recovery
\$2,000	\$2,700	53%	\$5,629	45%	\$10,555
\$3,000	3,700	66%	5,629	56%	\$8,536
\$4,000	4,700	73%	5,629	62%	\$7,691

Reflects equity available for noteholders assuming RCF and New Money receive equity at illustrative TEV

Implied strike price at which noteholders would receive recovery of 85% (\$~5.6 billion); accounts for dilution resulting from new money and RCF conversion to equity (but not from equity allocation to existing shareholders)

Warrant Analysis – Value at Dilution Adjusted Strike Prices

(\$ in millions)

Based on adjusted strike prices set at levels where noteholders receive an 85% recovery on their claims, the following illustrates the Black Scholes value of different warrant packages with various ownership levels

- Strike prices for each RCF scenario are set at levels where noteholder recovery would be 85%, taking into account the pro forma dilution at each illustrative TEV level for the conversion of the RCF to equity and the new money raise
 - Does not take into account any dilution on account of primary equity allocation to existing shareholders
- Warrant value below is calculated at 45% volatility; historically the Company's volatility has been higher
 - Appendix includes warrant value at 60% and 75% volatility levels

Warrant Value Sensitivities (45% Volatility)

	Illustrative TEV (\$mm)	Share of Equity for Notes and Pre-petition Shareholders	Assumed Strike Price	Total Warrant Value	Warrant Value per Share	Implied Noteholder Recovery at Strike
5% Warrant Ownership	\$2,000	53%	\$10,555	\$19	\$0.10	85%
	\$3,000	66%	\$8,536	46	\$0.23	85%
	\$4,000	73%	\$7,691	79	\$0.40	85%
10% Warrant Ownership	\$2,000	53%	\$10,555	\$39	\$0.20	85%
	\$3,000	66%	\$8,536	92	\$0.47	85%
	\$4,000	73%	\$7,691	157	\$0.80	85%
15% Warrant Ownership	\$2,000	53%	\$10,555	\$58	\$0.29	85%
	\$3,000	66%	\$8,536	138	\$0.70	85%
	\$4,000	73%	\$7,691	236	\$1.19	85%
20% Warrant Ownership	\$2,000	53%	\$10,555	\$77	\$0.39	85%
	\$3,000	66%	\$8,536	184	\$0.93	85%
	\$4,000	73%	\$7,691	314	\$1.59	85%
25% Warrant Ownership	\$2,000	53%	\$10,555	\$96	\$0.49	85%
	\$3,000	66%	\$8,536	230	\$1.17	85%
	\$4,000	73%	\$7,691	393	\$1.99	85%



Note: Assumes 7-year warrants.

Primary Equity Allocation – Impact of Dilution and Illustrative Value

(\$ in millions)

Primary equity allocated to existing shareholders would also be subject to dilution; a 5% preliminary equity allocation would be diluted to between 3.6% and 4.0% of total equity assuming new money is invested at TEVs of \$2.0 billion to \$4.0 billion

- At these illustrative TEV levels, this level of primary equity allocation would be worth between \$100 million and \$200 million or \$0.50 to \$1.00 per existing share
- Pre-dilution equity allocation and TEV levels are illustrative
- Equity values assume negative \$(700) million of net debt

Primary Equity Allocation: Impact of Dilution and Illustrative Value

Illustrative TEV (\$mm)	Illustrative Primary Allocation Pre-Dilution	Dilution by New Money	Diluted Primary Equity Allocation	Total Value of Primary Equity	Value Per Share
\$2,000	5.0%	28.4%	3.6%	\$97	\$0.49
\$3,000	5.0%	20.7%	4.0%	\$147	\$0.74
\$4,000	5.0%	16.3%	4.2%	\$197	\$1.00

Total Equity Recovery Analysis

(\$ in millions)

The following illustrates the all-in value existing shareholders would receive given varying warrant packages and assuming shareholders are allocated 5% of the primary equity, which is diluted by the new money capital raise to 3.6%-4.2%

- For reference, the also table indicates the share of total reorganized equity value existing shareholders would receive (calculated as total value of consideration to shareholders divided by pro forma equity value of the Company)
- Analysis shown at 45% volatility, if warrants were valued assuming 60% or 75% volatility, would result in a higher value as shown in the appendix
- In addition to this consideration, shareholders should have ability to participate in New Money capital raise

Total Value Sensitivities (45% Volatility)

	Illustrative TEV (\$mm)	Warrant Value	Primary Equity Value (5% pre-dilution)	Total Warrant and Equity Value	Total Value per Share (\$)	Shareholder Recovery as % of New Equity Value
5% Warrant Ownership	\$2,000	\$19	\$97	\$116	\$0.59	4.3%
	\$3,000	46	147	193	\$0.98	5.2%
	\$4,000	79	197	275	\$1.39	5.9%
10% Warrant Ownership	\$2,000	\$39	\$97	\$135	\$0.69	5.0%
	\$3,000	92	147	239	\$1.21	6.5%
	\$4,000	157	197	354	\$1.79	7.5%
15% Warrant Ownership	\$2,000	\$58	\$97	\$155	\$0.78	5.7%
	\$3,000	138	147	285	\$1.44	7.7%
	\$4,000	236	197	432	\$2.19	9.2%
20% Warrant Ownership	\$2,000	\$77	\$97	\$174	\$0.88	6.4%
	\$3,000	184	147	331	\$1.68	8.9%
	\$4,000	314	197	511	\$2.59	10.9%
25% Warrant Ownership	\$2,000	\$96	\$97	\$193	\$0.98	7.2%
	\$3,000	230	147	377	\$1.91	10.2%
	\$4,000	393	197	589	\$2.99	12.5%

The following page illustrates the potential intrinsic value of this package of consideration assuming a wider range of illustrative TEVs



Notes: Assumes 7-year warrants.
Primary equity value is not adjusted for value dilution resulting from warrants.

Total Equity Recovery Analysis (cont'd)

(\$ in millions)

The following illustrates the potential intrinsic value of a package of consideration for existing shareholders including warrants for 20% ownership struck at \$8.5 billion (and 4.0% of primary equity (i.e., a 5% allocation adjusted for dilution from new money investment at a \$3.0 billion TEV))

- Strike price is set at the level where noteholders recover 85% assuming new money and the RCF receive equity at a TEV valuation of \$3.0 billion
- Analysis does not incorporate Black Scholes values for warrants; only shows intrinsic values for warrants to the extent they are in the money
- Primary equity value includes impact of dilution at TEV levels where warrants are in the money
- TEV range is expanded to illustrate potential future outcomes in which the warrants could be in the money
- For reference, the illustrative recovery for noteholders' claims is also shown

Total Equity Recovery Analysis: Intrinsic Value at Various TEVs (20% Ownership, \$3.0bn Plan TEV)

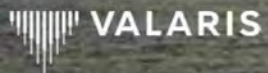
Illustrative TEV (\$mm)	Total Warrant Value	Primary Equity Value	Total Value of Consideration	Total Value per Share	Memo: Noteholder Recovery ¹
\$3,000	\$0	\$147	\$147	\$0.74	34.6%
\$4,000	0	186	186	\$0.94	44.0%
\$5,000	0	226	226	\$1.15	53.3%
\$7,500	0	325	325	\$1.65	76.7%
\$10,000	433	407	840	\$4.26	93.9%
\$12,500	933	486	1,419	\$7.19	110.0%
\$15,000	1,433	566	1,998	\$10.13	126.2%



Note: Assumes cash of \$700 million and no debt.

1. Recovery based on assumed claims of \$6.6 billion, including principal and pre-petition assumed interest. Recovery incorporates impact of dilution from new money, and equity/warrants allocated to shareholders.

Appendix



Debt Service Schedule

Weekly Debt Service Cost Schedule

(\$ in millions)

The following illustrates the Company's projected interest and principal payments on its Senior Notes through August

- Cumulative payments through June total \$43 million

Weekly Debt Service Schedule																		
Week Of	May-4	May-11	May-18	May-25	Jun-1	Jun-8	Jun-15	Jun-22	Jun-29	Jul-6	Jul-13	Jul-20	Jul-27	Aug-3	Aug-10	Aug-17	Aug-24	Aug-31
6.875% Pride Notes due 2020	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$127	\$--	\$--	\$--
4.70% Ensco Notes due 2021	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4.875% Rowan Notes due 2022	--	--	--	--	15	--	--	--	--	--	--	--	--	--	--	--	--	--
4.75% Rowan Notes due 2024	--	--	--	--	--	--	--	--	--	--	8	--	--	--	--	--	--	--
8.00% Ensco Notes due 2024	--	--	--	--	--	--	--	--	--	--	--	--	12	--	--	--	--	--
3.00% Convertible Notes due 2024	--	--	--	--	--	--	--	--	--	--	--	--	13	--	--	--	--	--
4.50% Ensco Notes due 2024	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5.20% Ensco Notes due 2025	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7.375% Rowan Notes due 2025	--	--	--	--	--	--	13	--	--	--	--	--	--	--	--	--	--	--
7.75% Ensco Notes due 2026	--	--	--	--	--	--	--	--	--	--	--	--	39	--	--	--	--	--
7.20% EII Debentures due 2027	--	4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7.875% Pride Notes due 2040	--	--	--	--	--	--	--	--	--	--	--	--	--	--	12	--	--	--
5.40% Rowan Notes due 2042	--	--	--	--	11	--	--	--	--	--	--	--	--	--	--	--	--	--
5.85% Rowan Notes due 2044	--	--	--	--	--	--	--	--	--	--	12	--	--	--	--	--	--	--
5.75% Ensco Notes due 2044	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	\$--	\$4	\$--	\$--	\$26	\$--	\$13	\$--	\$--	\$--	\$19	\$--	\$63	\$--	\$139	\$--	\$--	\$--
<i>Cumulative Debt Service Payment</i>	<i>\$--</i>	<i>\$4</i>	<i>\$4</i>	<i>\$4</i>	<i>\$30</i>	<i>\$30</i>	<i>\$43</i>	<i>\$43</i>	<i>\$43</i>	<i>\$43</i>	<i>\$63</i>	<i>\$63</i>	<i>\$126</i>	<i>\$126</i>	<i>\$265</i>	<i>\$265</i>	<i>\$265</i>	<i>\$265</i>

Week of assumed filing

Illustrative Liquidity Roll Forwards

Illustrative Restructuring Liquidity Roll-Forward (Pre-Exit Financing)

(\$ in millions)

The following illustrates quarterly cash flows under the revised operating case and assuming an in-court restructuring process with a \$500 million DIP, before incorporating the impact of any new equity or take back debt

- At the start of the case (before the DIP is funded) the Company is projected to have \$494 million drawn under its RCF, \$100 million of LCs outstanding and \$200 million of cash on its balance sheet
- Assuming process lasts 6 months and restructuring costs total \$75 million, Company would have \$433 million of cash on hand to fund emergence
- In comparison, the Company would need \$600 million of capital to repay the DIP and fund minimum cash on the balance sheet, leaving incremental need of ~\$167 million, depending on the treatment of LCs
- To fund go forward burn, the Company would need an additional \$380 million plus financing costs, if any, and cushion

Illustrative Liquidity Roll Forward																	
	Quarterly												Annual				
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	2024E 2025E
EBITDA	(\$34)	(\$141)	\$18	(\$17)	(\$0)	(\$11)	(\$7)	(\$17)	\$17	\$23	\$15	\$18	\$46	\$53	\$44	\$40	\$331 \$545
(-) Income Taxes	(13)	(8)	(20)	(9)	(47)	11	(6)	4	(14)	(20)	(8)	(13)	(16)	(17)	(15)	(17)	(85) (110)
(-) Net Capex ¹	(45)	(8)	(21)	(11)	(28)	(27)	(38)	(26)	(11)	(11)	(26)	(154)	(35)	(22)	(35)	(35)	(113) (159)
(-) Change in Net Working Capital	59	82	(115)	32	37	4	(0)	8	(24)	(0)	(1)	(1)	(20)	(0)	(0)	8	5 (101)
(-) Other	(31)	(51)	(13)	2	(25)	0	1	19	2	1	(1)	5	(2)	(2)	(2)	16	12 17
Unlevered FCF	(\$63)	(\$125)	(\$151)	(\$3)	(\$63)	(\$24)	(\$51)	(\$12)	(\$30)	(\$7)	(\$21)	(\$145)	(\$27)	\$11	(\$9)	\$12	\$150 \$190
(+/-) Cash Interest Income / (Expense)	(115)	(88)	(15)	(15)	--	--	--	--	--	--	--	--	--	--	--	--	--
Levered FCF	(\$178)	(\$213)	(\$166)	(\$18)	(\$63)	(\$24)	(\$51)	(\$12)	(\$30)	(\$7)	(\$21)	(\$145)	(\$27)	\$11	(\$9)	\$12	\$150 \$190
(-) Case Costs	--	--	(25)	(50)	--	--	--	--	--	--	--	--	--	--	--	--	--
(+/-) RCF Draw / (Paydown)	281	213	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Cash Flow (Pre-Transaction Adjustments)	\$103	\$--	(\$191)	(\$68)	(\$63)	(\$24)	(\$51)	(\$12)	(\$30)	(\$7)	(\$21)	(\$145)	(\$27)	\$11	(\$9)	\$12	\$150 \$--
Ending Cash Balance (Pre-Transaction Adjustments)	200	200	502	433	(130)	(154)	(204)	(216)	(246)	(253)	(274)	(419)	(447)	(435)	(444)	(433)	(283) (92)
(+/-) Issuance / (Repayment) of Debt / LCs	--	493	--	(500)	--	--	--	--	--	--	--	--	--	--	--	--	--
Ending Cash Balance (Post-Transaction Adjustments)	\$200	\$693	\$502	(\$67)	(\$130)	(\$154)	(\$204)	(\$216)	(\$246)	(\$253)	(\$274)	(\$419)	(\$447)	(\$435)	(\$444)	(\$433)	(\$283) (\$92)
(-) Minimum Cash	(200)	(200)	(200)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
RCF Availability	1,241	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Liquidity	\$1,241	\$493	\$302	(\$167)	(\$230)	(\$254)	(\$304)	(\$316)	(\$346)	(\$353)	(\$374)	(\$519)	(\$547)	(\$535)	(\$544)	(\$533)	(\$383) (\$192)
Memo:																	
RCF Balance	\$281	\$494	\$494	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--
Cumulative UFCF (Starting in 2021)					(63)	(87)	(138)	(149)	(179)	(186)	(207)	(353)	(\$380)	(369)	(378)	(366)	(216) (26)



1. Includes rig sale proceeds.

Go forward capital need
(pre-cushion and financing costs)

Illustrative Restructuring LRF Assuming RCF Converted to Equity

(\$ in millions)

The following illustrates quarterly cash flows under the revised operating case and assuming an in-court restructuring process assuming the RCF is converted to equity

Illustrative Liquidity Roll Forward																	
	Quarterly												Annual				
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	2024E
EBITDA	(\$34)	(\$141)	\$18	(\$17)	(\$0)	(\$11)	(\$7)	(\$17)	\$17	\$23	\$15	\$18	\$46	\$53	\$44	\$40	\$331
(-) Income Taxes	(13)	(8)	(20)	(9)	(47)	11	(6)	4	(14)	(20)	(8)	(13)	(16)	(17)	(15)	(17)	(85)
(-) Net Capex ¹	(45)	(8)	(21)	(11)	(28)	(27)	(38)	(26)	(11)	(11)	(26)	(154)	(35)	(22)	(35)	(35)	(113)
(-) Change in Net Working Capital	59	82	(115)	32	37	4	(0)	8	(24)	(0)	(1)	(1)	(20)	(0)	(0)	8	5
(-) Other	(31)	(51)	(13)	2	(25)	0	1	19	2	1	(1)	5	(2)	(2)	(2)	16	12
Unlevered FCF	(\$63)	(\$125)	(\$151)	(\$3)	(\$63)	(\$24)	(\$51)	(\$12)	(\$30)	(\$7)	(\$21)	(\$145)	(\$27)	\$11	(\$9)	\$12	\$150
(+/-) Cash Interest Income / (Expense)	(115)	(88)	(15)	(15)	--	--	--	--	--	--	--	--	--	--	--	--	--
Levered FCF	(\$178)	(\$213)	(\$166)	(\$18)	(\$63)	(\$24)	(\$51)	(\$12)	(\$30)	(\$7)	(\$21)	(\$145)	(\$27)	\$11	(\$9)	\$12	\$150
(-) Case Costs	--	--	(25)	(50)	--	--	--	--	--	--	--	--	--	--	--	--	--
(+/-) RCF Draw / (Paydown)	281	213	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Cash Flow (Pre-Transaction Adjustments)	\$103	\$--	(\$191)	(\$68)	(\$63)	(\$24)	(\$51)	(\$12)	(\$30)	(\$7)	(\$21)	(\$145)	(\$27)	\$11	(\$9)	\$12	\$150
Ending Cash Balance (Pre-Transaction Adjustments)	200	200	502	433	637	613	562	551	521	514	493	347	320	331	322	334	484
(+/-) Issuance / (Repayment) of Debt / Lcs	--	493	--	(500)	--	--	--	--	--	--	--	--	--	--	--	--	--
(+) New Equity	--	--	--	767	--	--	--	--	--	--	--	--	--	--	--	--	--
Ending Cash Balance (Post-Transaction Adjustments)	\$200	\$693	\$502	\$700	\$637	\$613	\$562	\$551	\$521	\$514	\$493	\$347	\$320	\$331	\$322	\$334	\$484
(-) Minimum Cash	(200)	(200)	(200)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
RCF Availability	1,241	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Liquidity	\$1,241	\$493	\$302	\$600	\$537	\$513	\$462	\$451	\$421	\$414	\$393	\$247	\$220	\$231	\$222	\$234	\$384
Memo:																	
RCF Balance	\$281	\$494	\$494	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--
Cumulative UFCF (Starting in 2021)					(63)	(87)	(138)	(149)	(179)	(186)	(207)	(353)	(380)	(369)	(378)	(366)	(216)
Cumulative LFCF (Starting in 2021)					(63)	(87)	(138)	(149)	(179)	(186)	(207)	(353)	(380)	(369)	(378)	(366)	(216)

Additional Warrant and Equity Recovery Sensitivities

Warrant Analysis – Value at 60% Volatility

(\$ in millions)

Based on adjusted strike prices set at levels where noteholders receive an 85% recovery on their claims, the following illustrates the Black Scholes value of different warrant packages assuming various ownership levels

- Warrant value below is calculated at 60% volatility

Warrant Value Sensitivities (60% Volatility)						
	Illustrative TEV (\$mm)	Share of Equity for Notes and Pre-petition Shareholders	Assumed Strike Price	Total Warrant Value	Warrant Value per Share	Implied Noteholder Recovery at Strike
5% Warrant Ownership	\$2,000	53%	\$10,555	\$40	\$0.20	85%
	\$3,000	66%	\$8,536	75	\$0.38	85%
	\$4,000	73%	\$7,691	113	\$0.57	85%
10% Warrant Ownership	\$2,000	53%	\$10,555	\$80	\$0.40	85%
	\$3,000	66%	\$8,536	150	\$0.76	85%
	\$4,000	73%	\$7,691	226	\$1.14	85%
15% Warrant Ownership	\$2,000	53%	\$10,555	\$120	\$0.61	85%
	\$3,000	66%	\$8,536	225	\$1.14	85%
	\$4,000	73%	\$7,691	339	\$1.72	85%
20% Warrant Ownership	\$2,000	53%	\$10,555	\$159	\$0.81	85%
	\$3,000	66%	\$8,536	300	\$1.52	85%
	\$4,000	73%	\$7,691	452	\$2.29	85%
25% Warrant Ownership	\$2,000	53%	\$10,555	\$199	\$1.01	85%
	\$3,000	66%	\$8,536	375	\$1.90	85%
	\$4,000	73%	\$7,691	565	\$2.86	85%



Note: Assumes 7-year warrants.

Total Equity Recovery – Value at 60% Volatility

(\$ in millions)

The following table illustrates total equity recovery at a range of Illustrative TEVs and Warrant Ownership Levels

- Warrant value below is calculated at 60% volatility

Total Value Sensitivities (60% Volatility)						
	Illustrative TEV (\$mm)	Warrant Value	Primary Equity Value (5% pre-dilution)	Total Warrant and Equity Value	Total Value per Share (\$)	Shareholder Recovery as % of New Equity Value
5% Warrant Ownership	\$2,000	\$40	\$97	\$137	\$0.69	5.1%
	\$3,000	75	147	222	\$1.12	6.0%
	\$4,000	113	197	310	\$1.57	6.6%
10% Warrant Ownership	\$2,000	\$80	\$97	\$176	\$0.89	6.5%
	\$3,000	150	147	297	\$1.50	8.0%
	\$4,000	226	197	422	\$2.14	9.0%
15% Warrant Ownership	\$2,000	\$120	\$97	\$216	\$1.10	8.0%
	\$3,000	225	147	371	\$1.88	10.0%
	\$4,000	339	197	535	\$2.71	11.4%
20% Warrant Ownership	\$2,000	\$159	\$97	\$256	\$1.30	9.5%
	\$3,000	300	147	446	\$2.26	12.1%
	\$4,000	452	197	648	\$3.29	13.8%
25% Warrant Ownership	\$2,000	\$199	\$97	\$296	\$1.50	11.0%
	\$3,000	375	147	521	\$2.64	14.1%
	\$4,000	565	197	761	\$3.86	16.2%



Note: Assumes 7-year warrants.

Warrant Analysis – Value at 75% Volatility

(\$ in millions)

Based on adjusted strike prices set at levels where noteholders receive an 85% recovery on their claims, the following illustrates the Black Scholes value of different warrant packages assuming various ownership levels

- Warrant value below is calculated at 75% volatility

Warrant Value Sensitivities (75% Volatility)						
	Illustrative TEV (\$mm)	Share of Equity for Notes and Pre-petition Shareholders	Assumed Strike Price	Total Warrant Value	Warrant Value per Share	Implied Noteholder Recovery at Strike
5% Warrant Ownership	\$2,000	53%	\$10,555	\$61	\$0.31	85%
	\$3,000	66%	\$8,536	101	\$0.51	85%
	\$4,000	73%	\$7,691	143	\$0.72	85%
10% Warrant Ownership	\$2,000	53%	\$10,555	\$122	\$0.62	85%
	\$3,000	66%	\$8,536	202	\$1.03	85%
	\$4,000	73%	\$7,691	286	\$1.45	85%
15% Warrant Ownership	\$2,000	53%	\$10,555	\$183	\$0.93	85%
	\$3,000	66%	\$8,536	304	\$1.54	85%
	\$4,000	73%	\$7,691	429	\$2.17	85%
20% Warrant Ownership	\$2,000	53%	\$10,555	\$243	\$1.23	85%
	\$3,000	66%	\$8,536	405	\$2.05	85%
	\$4,000	73%	\$7,691	572	\$2.90	85%
25% Warrant Ownership	\$2,000	53%	\$10,555	\$304	\$1.54	85%
	\$3,000	66%	\$8,536	506	\$2.56	85%
	\$4,000	73%	\$7,691	714	\$3.62	85%



Note: Assumes 7-year warrants.

Total Equity Recovery – Value at 75% Volatility

(\$ in millions)

The following table illustrates total equity recovery at a range of Illustrative TEVs and Warrant Ownership Levels

- Warrant value below is calculated at 75% volatility

Total Value Sensitivities (75% Volatility)						
	Illustrative TEV (\$mm)	Warrant Value	Primary Equity Value (5% pre-dilution)	Total Warrant and Equity Value	Total Value per Share (\$)	Shareholder Recovery as % of New Equity Value
5% Warrant Ownership	\$2,000	\$61	\$97	\$158	\$0.80	5.8%
	\$3,000	101	147	248	\$1.26	6.7%
	\$4,000	143	197	340	\$1.72	7.2%
10% Warrant Ownership	\$2,000	\$122	\$97	\$218	\$1.11	8.1%
	\$3,000	202	147	349	\$1.77	9.4%
	\$4,000	286	197	482	\$2.45	10.3%
15% Warrant Ownership	\$2,000	\$183	\$97	\$279	\$1.42	10.3%
	\$3,000	304	147	450	\$2.28	12.2%
	\$4,000	429	197	625	\$3.17	13.3%
20% Warrant Ownership	\$2,000	\$243	\$97	\$340	\$1.72	12.6%
	\$3,000	405	147	551	\$2.80	14.9%
	\$4,000	572	197	768	\$3.89	16.3%
25% Warrant Ownership	\$2,000	\$304	\$97	\$401	\$2.03	14.8%
	\$3,000	506	147	653	\$3.31	17.6%
	\$4,000	714	197	911	\$4.62	19.4%



Note: Assumes 7-year warrants.

Precedent Equity Recoveries Analysis

Precedent Prepackaged / Pre-Arranged Transactions

Precedent Prepackaged / Pre-Arranged Transactions

Case Name	Completion Date	Industry	Pre-Petition Debt	Type	Recovery of Pre-Petition Equity					Equity Value / TEV
					Primary Equity		Warrants			
					% of Reorg Equity	as % of TEV	% Ownership	Strike (% of debt) ¹	Term (Years)	TEV
Weatherford International plc	03/18/20	Oil and Gas	\$8,766	Pre-Arranged	1.0%	0.6%	10.0%	100.0%	3	62.4%
EB Holdings II, Inc.	01/17/20	Metals and Mining	2,494	Prepack	0.1%	N/A ²	—	—	—	N/A ²
Anna Holdings, Inc.	12/31/19	Media	2,982	Prepack			No Recovery			
Legacy Reserves, Inc.	12/11/19	Oil and Gas	1,379	Pre-Arranged			No Recovery			
Blackhawk Mining LLC	11/01/19	Metals and Mining	1,055	Prepack			No Recovery			
Bristow Group Inc.	10/31/19	Oil and Gas	1,550	Pre-Arranged			No Recovery			
Monitronics International, Inc.	08/30/19	Retail	1,839	Prepack			No Recovery			
Hexion Holdings LLC	07/02/19	Chemicals And Material	3,784	Pre-Arranged			No Recovery			
Jones Energy, Inc.	05/17/19	Oil and Gas	1,009	Pre-Arranged			No Recovery			
Sungard Availability Services Capital, Inc.	05/03/19	Technology	1,261	Prepack			No Recovery			
iHeartMedia, Inc.	05/01/19	Media	21,490	Pre-Arranged	1.0%	0.3%	—	—	—	34.4%
Nine West Holdings, Inc.	03/20/19	Retail	1,562	Pre-Arranged			No Recovery			
Catalina Marketing Corporation	02/15/19	Media	1,932	Prepack			No Recovery			
Fullbeauty Brands Holdings Corp.	02/05/19	Retail	1,271	Prepack			No Recovery			
American Tire	12/21/18	Automotive	2,568	Pre-Arranged	5.0%	1.5%	15.0%	89.8%	5	30.2%
GenOn Energy, Inc.	12/14/18	Electrical Power	2,650	Pre-Arranged			No Recovery			
Claire's Stores, Inc. ³	10/12/18	Retail	2,199	Pre-Arranged			No Recovery			
Cerveo, Inc.	09/07/18	Paper Printing	1,061	Pre-Arranged			No Recovery			
HGIM Holdings, LLC	07/02/18	Transportation	1,227	Prepack			No Recovery			
Seadrill Limited	07/02/18	Oil and Gas	14,967	Pre-Arranged	2.0%	0.8%	—	—	—	38.6%
Cumulus Media Inc.	06/04/18	Media	2,339	Pre-Arranged			No Recovery			
Southeastern Grocers, LLC	05/31/18	Retail	1,285	Prepack	—	—%	5.0%	100.0%	5	26.9%
Ascent Resources Marcellus Holdings, LLC	03/30/18	Oil and Gas	1,056	Prepack			No Recovery			
CGG Holding (U.S.) Inc.	02/21/18	Oil and Gas	3,396	Pre-Arranged	3.2%	1.8%	10.0%	N/A	4	57.6%

Source: Debtwire, Reorg research, Court filings.

1. Represents equity strike as a percentage of equitized debt. In certain cases, strike price is given as a percentage of equitized claims; in other cases, percentage is estimated based on stated strike price and par value of equitized debt, plus interest, fees and other claims where available. Figures represent preliminary estimates based on public information.
2. Enterprise value note disclosed.
3. Received investments rights and excess cash proceeds, if any, from certain assets of Claire's Inc. and its estate.



Precedent Prepackaged / Pre-Arranged Transactions (cont'd)

Precedent Prepackaged / Pre-Arranged Transactions

Case Name	Completion Date	Industry	Pre-Petition Debt	Type	Recovery of Pre-Petition Equity					Equity Value / TEV
					Primary Equity		Warrants			
					% of Reorg Equity	as % of TEV	% Ownership	Strike (% of debt) ¹	Term (Years)	
Walter Investment Management Corp.	02/09/18	Financial Services	1,981	Prepack			No Recovery			
Expro Holdings US Inc.	02/05/18	Oil and Gas	1,427	Prepack	—	—	7.0%	112.2%	5	114.8%
21st Century Oncology Holdings, Inc.	01/16/18	Healthcare	1,142	Pre-Arranged	—	—	7.5%	145.4%	5	18.0%
The Gymboree Corporation	09/27/17	Retail	1,086	Pre-Arranged			No Recovery			
Vanguard Natural Resources, LLC	08/01/17	Oil and Gas	1,757	Pre-Arranged	—	—	3.0%	100.0%	3	30.3%
Tidewater Inc.	07/31/17	Oil and Gas	2,341	Pre-Arranged	5.0%	4.5%	15.0%	91.4%	6	89.8%
Memorial Production Partners LP	05/04/17	Oil and Gas	1,568	Pre-Arranged	2.0%	0.9%	8.0%	100.0%	5	44.4%
Stone Energy Corporation	02/28/17	Oil and Gas	1,417	Pre-Arranged	5.0%	0.4%	15.0%	100.0%	4	8.0%
LINN Energy, LLC	02/28/17	Oil and Gas	7,695	Pre-Arranged			No Recovery			
C&J Holdings Co.	01/06/17	Oil and Gas	1,349	Pre-Arranged	—	—	2.0%	110.7%	7	97.9%
Energy XXI Ltd	12/30/16	Oil and Gas	2,859	Pre-Arranged			No Recovery			
Basic Energy Services, Inc.	12/23/16	Oil and Gas	1,240	Pre-Arranged	0.3%	0.1%	6.0%	220.0%	7	43.2%
SandRidge Energy, Inc.	10/04/16	Oil and Gas	4,101	Pre-Arranged			No Recovery			
Penn Virginia Corporation	09/12/16	Oil and Gas	1,188	Pre-Arranged			No Recovery			
Halcon Resources Corporation	09/09/16	Oil and Gas	3,222	Prepack	4.0%	1.5%	—	—	—	37.6%
Atlas Resource Partners, L.P.	09/01/16	Oil and Gas	1,591	Prepack			No Recovery			
Seventy Seven Finance Inc.	08/01/16	Oil and Gas	1,645	Prepack	—	—	20.0%	194.9%	6	44.8%
Verso Corporation	07/15/16	Paper Printing	2,812	Pre-Arranged			No Recovery			
Swift Energy Company	04/22/16	Oil and Gas	1,235	Pre-Arranged	4.0%	2.3%	30.0%	92.5%	4	57.3%
				All Cases	Average	0.8%	0.3%	3.6%	NM	NM
					Median	0.0%	0.0%	0.0%	NM	NM
				Observations Only	Average	2.7%	1.3%	11.0%	119.8%	5
					Median	2.6%	0.9%	9.0%	100.0%	5
					Min	0.1%	0.1%	2.0%	89.8%	3
					Max	5.0%	4.5%	30.0%	220.0%	7

Source: Debtwire, Reorg research, Court filings.

1. Represents equity strike as a percentage of equitized debt. In certain cases, strike price is given as a percentage of equitized claims; in other cases, percentage is estimated based on stated strike price and par value of equitized debt, plus interest, fees and other claims where available. Figures represent preliminary estimates based on public information.



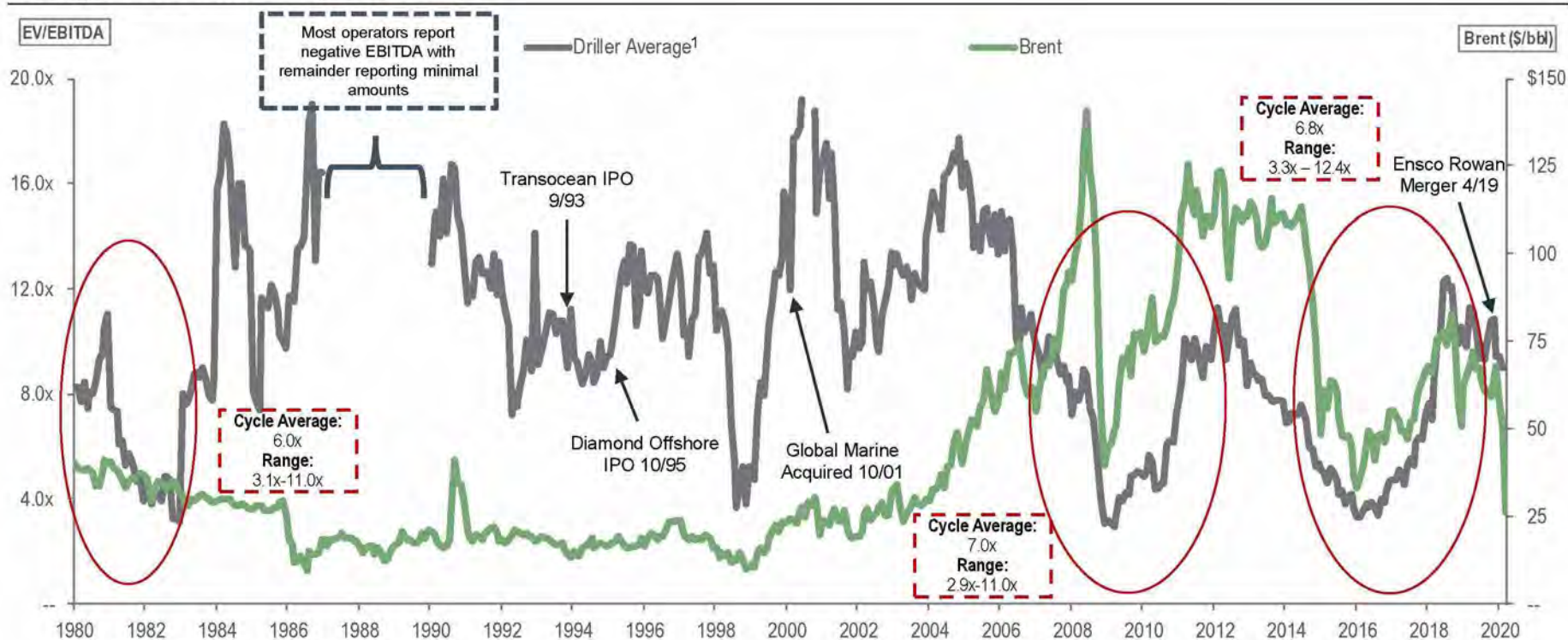
Historical Multiples Analysis

Offshore Drilling Trading Multiples Over Time (1980-2020)

The below reflects historical EV/LTM trading multiples for the Offshore Drilling space going back to 1980 (or date of IPO, if later)

- The industry, as demonstrated by this historical analysis, has over the past four decades gone through periods of significant turmoil where EBITDA for sector participants became de minimis or negative, causing significant spikes in multiples
 - However, there are certain periods of discernable and relative stability, where cycles become observable – highlighted by the red circles in the chart below for illustrative purposes
- Trading multiples have been adjusted for M&A activity over the relevant period

Average EV/LTM EBITDA Multiples Over Time



Source: FactSet, Bloomberg and company filings.

Note: EV/EBITDA multiples over 20.0x and below 0.0x are excluded.

1. Average includes Transocean, Noble Corporation, Diamond Offshore, Global Marine, Ensco and Rowan.

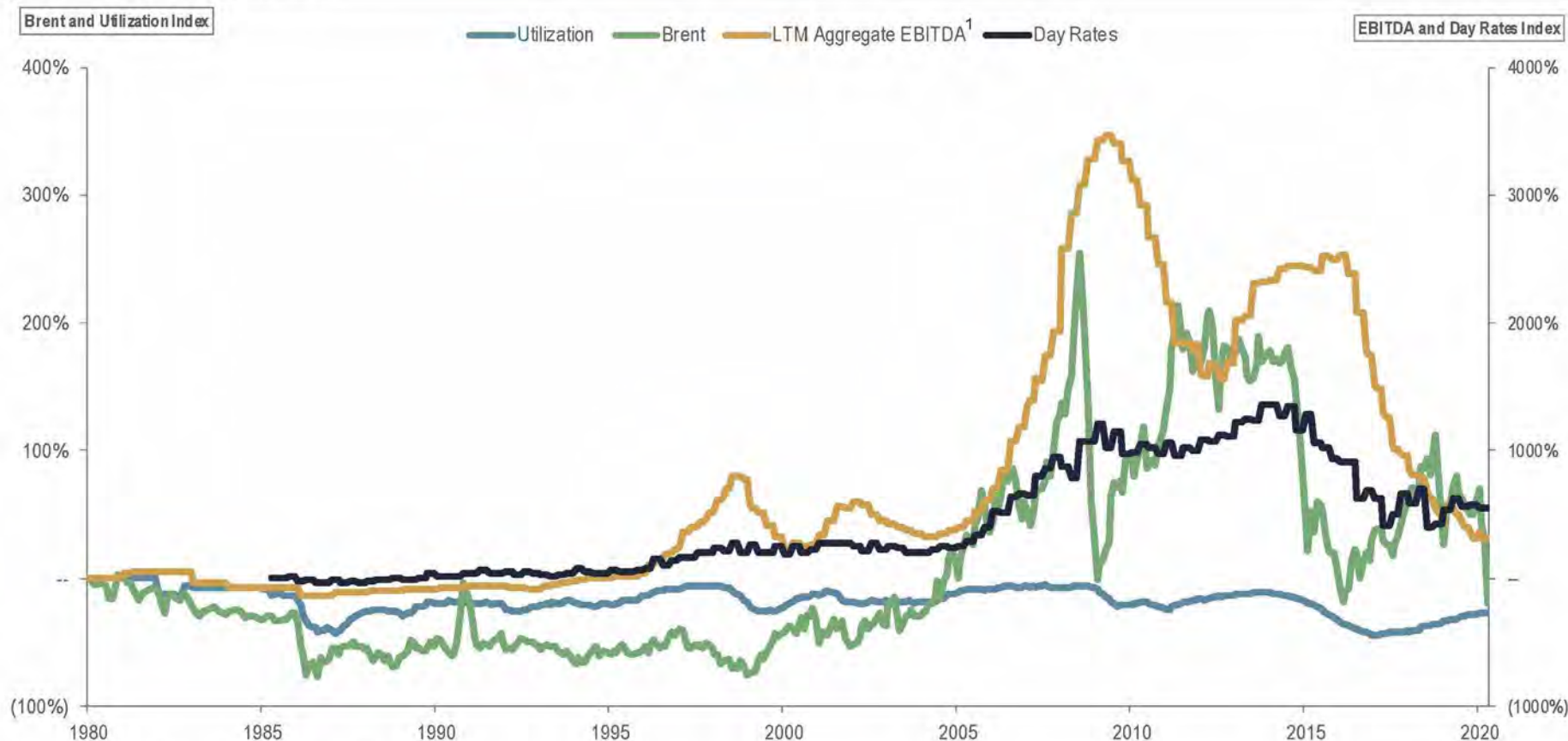


Indexed Offshore Drilling Key Metrics Over Time (1980-2020)

Through time, day rates, utilization (and therefore aggregate EBITDA) have had a meaningful correlation with oil prices

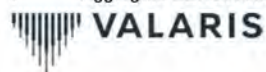
- The dramatic increase in oil prices starting in 2005 resulted in a similar increase in day rates and aggregate EBITDA for the sector

Indexed Key Metrics Over Time



Source: FactSet, Bloomberg and company filings.

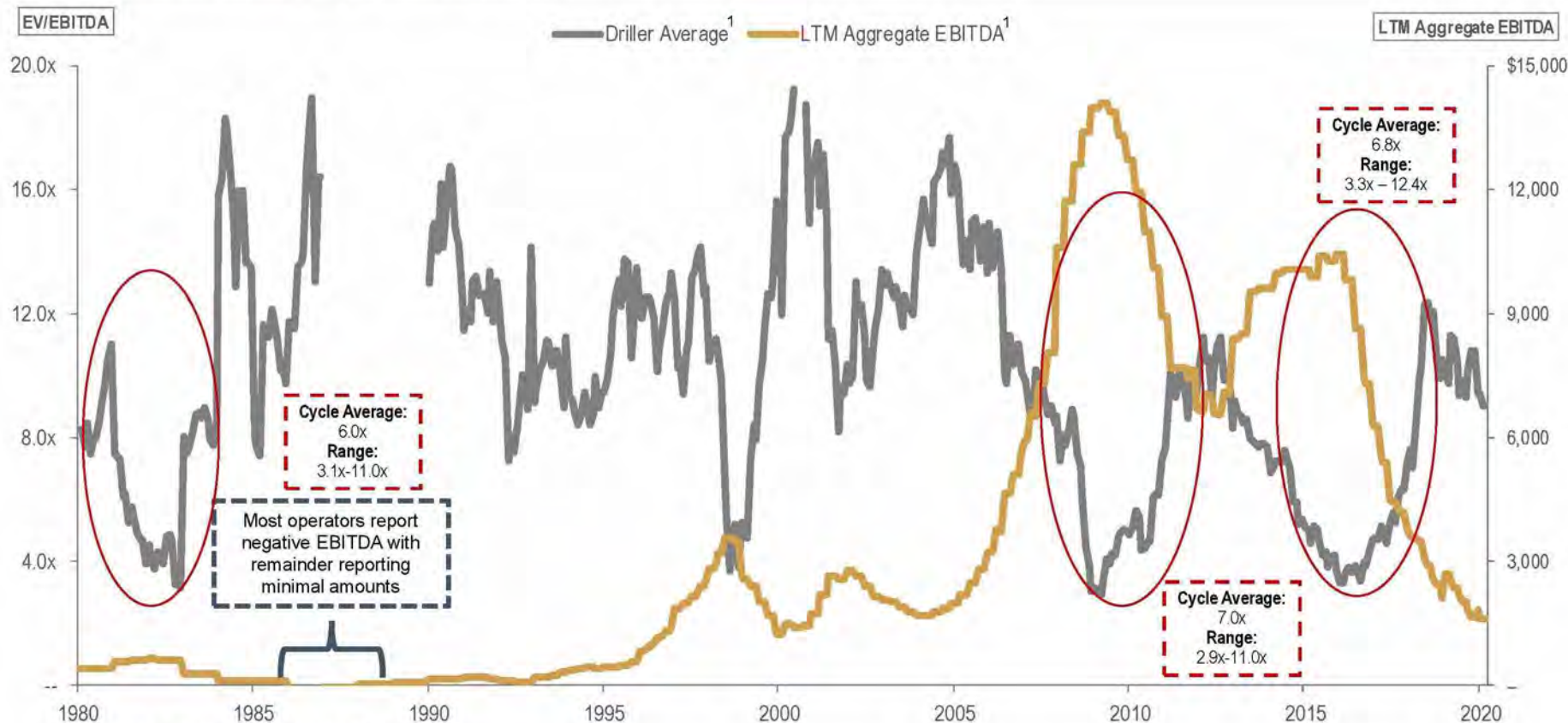
¹ Aggregate EBITDA includes Transocean, Noble Corporation, Diamond Offshore, Global Marine, Ensco and Rowan.



Offshore Driller Trading Multiples and Aggregate EBITDA (1980-2020)

Aggregate EBITDA was at minimal levels for a prolonged period of time producing volatile trading multiples for the industry until 2005, when significant oil price appreciation resulted in commensurate increase in aggregate EBITDA, resulting in more stable trading multiple ranges

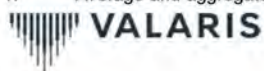
EV/LTM EBITDA and LTM Aggregate EBITDA Over Time



Source: FactSet, Bloomberg and company filings.

Note: EV/EBITDA multiples over 20.0x and below 0.0x are excluded.

1. Average and aggregate EBITDA includes Transocean, Noble Corporation, Diamond Offshore, Global Marine, Ensco and Rowan.



Offshore Driller Trading Multiples and Average Total Utilization (1980-2020)

The below analysis depicts EV/LTM EBITDA trading multiples over time relative to historical total fleet utilization

- Substantial drops in total utilization predictably result in decreased EBITDA driving large increases in EV/LTM EBITDA trading multiples over the time period

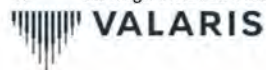
EV/LTM EBITDA and Total Utilization Over Time



Source: FactSet, Bloomberg, company filings and IHS Petrodata.

Note: Total utilization reflects data from IHS Petrodata going back to 1985 and then relies on peer reported utilization data from public filings, when available.

1. Average includes Transocean, Noble Corporation, Diamond Offshore, Global Marine, Ensco and Rowan.

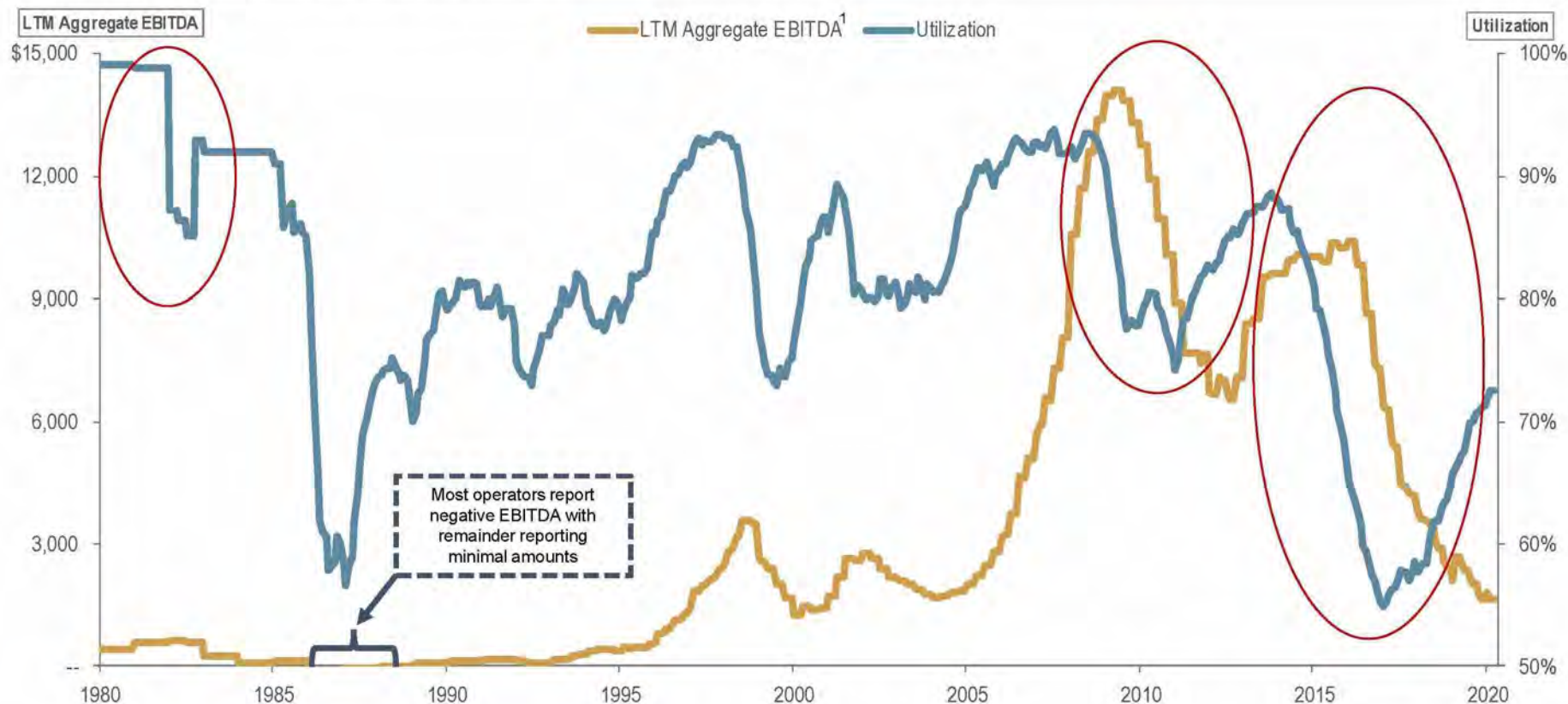


Offshore Driller Aggregate EBITDA and Average Total Utilization (1980-2020)

The below analysis depicts aggregate EBITDA over time relative to historical total fleet utilization

- Periods of stabilized, high utilization allow for increases in day rates and, in turn, result in aggregate EBTIDA growth

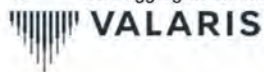
LTM Aggregate EBITDA and Total Utilization Over Time



Source: FactSet, Bloomberg, company filings and IHS Petrodata.

Note: Total utilization reflects data from IHS Petrodata going back to 1985 and then relies on peer reported utilization data from public filings, when available.

1. LTM aggregate EBITDA includes Transocean, Noble Corporation, Diamond Offshore, Global Marine, Ensco and Rowan.



Offshore Driller Average Total Utilization and Brent Price (1980-2020)

The below analysis depicts Brent prices over time relative to historical total fleet utilization

- Substantial drops in Brent predictably result in decreased average total utilization across the industry
 - On a go-forward basis, Brent futures estimate oil prices to remain in a \$33-54/bbl range through 2025

Average Utilization and Brent Pricing Over Time



Source: FactSet, Bloomberg, company filings and IHS Petrodata.

Note: Total utilization reflects data from IHS Petrodata going back to 1985 and then relies on peer reported utilization data from public filings, when available.

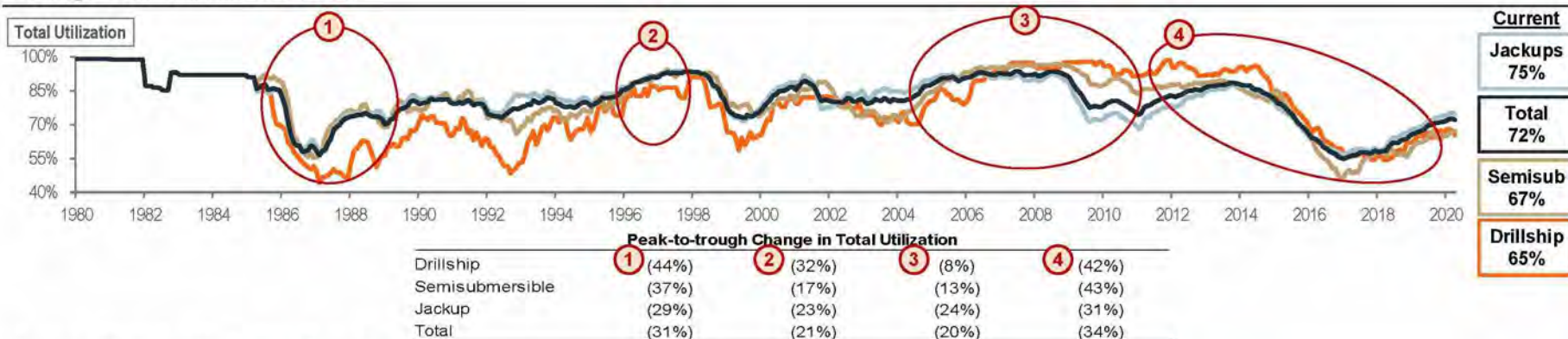


Offshore Driller Historical Average Utilization (1980-2020)

The current market has exhibited similar peak-to-trough drops of that in the late 1980s

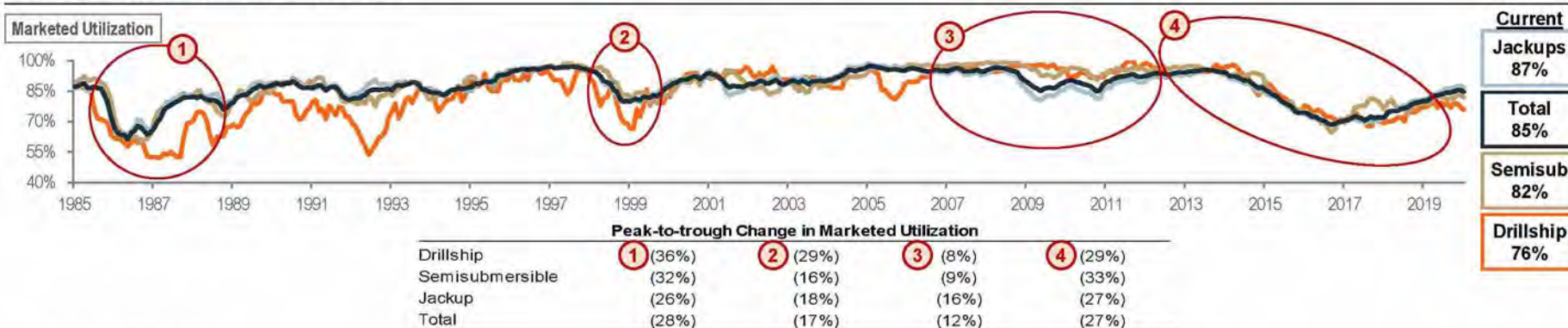
- Starting in mid 1985, total fleet utilization dropped 31% from peak-to-trough over the course of 15 months follow by a peak of 93% utilization 13 years later in 1998
- Similarly, utilization dropped 34% from peak-to-trough from 2014 to 2017 and had improved moderately to 72% over the past three years, before current supply/demand shocks

Average Total Utilization Over Time



Current
Jackups
75%
Total
72%
Semisub
67%
Drillship
65%

Average Marketed Utilization Over Time



Current
Jackups
87%
Total
85%
Semisub
82%
Drillship
76%

Source: IHS Petrodata.

Note: Total utilization reflects data from IHS Petrodata going back to 1985 and then relies on peer reported utilization data from public filings, when available.

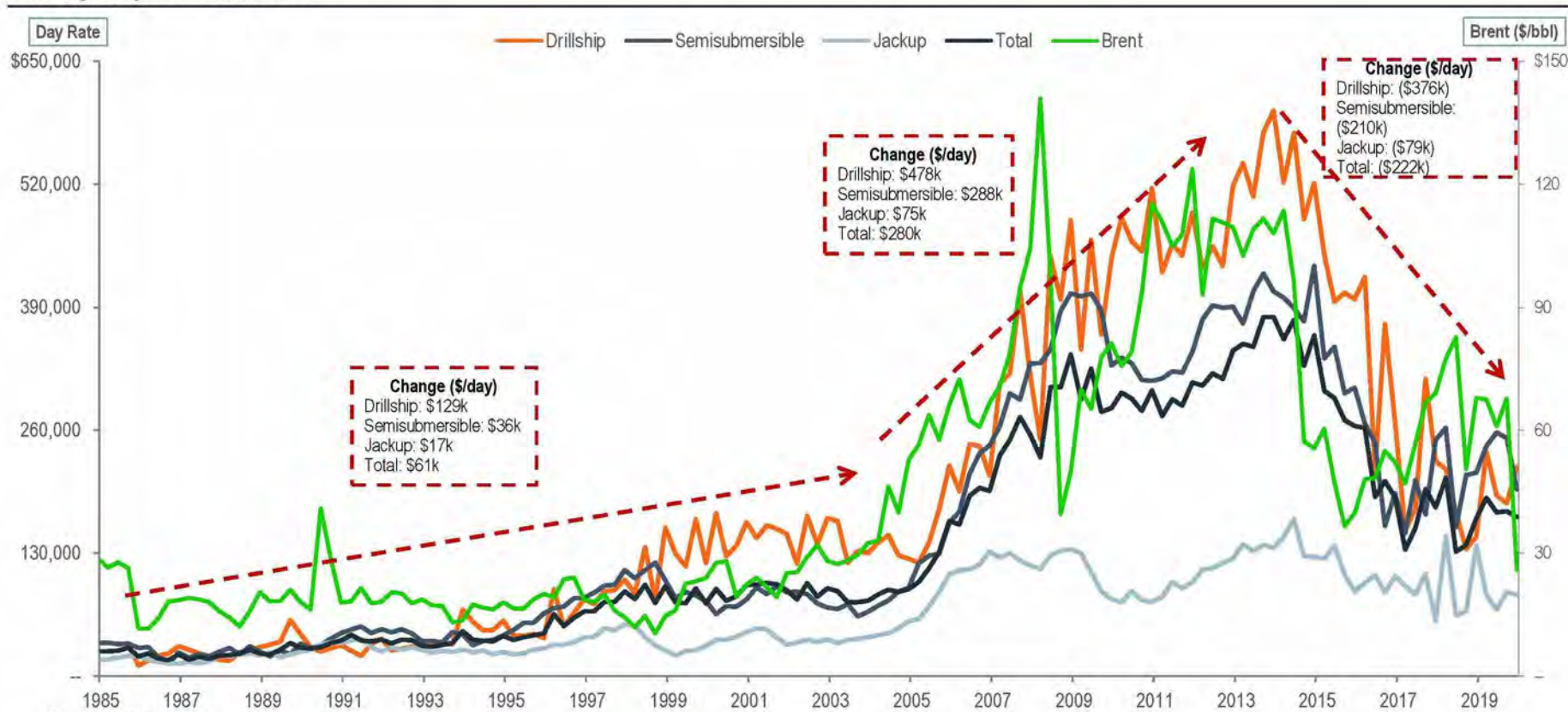


Offshore Driller Day Rates Over Time (1985-2020)

Day rates show a strong correlation with Brent prices, and while they remained fairly stable in the 1985-2005 period, 2005-2015 saw a period of dramatic increase in day rates across asset classes, and then a subsequent collapse through 2019

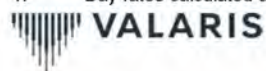
- Drillship rates reached highs of \$600k/day in 2014, before collapsing to ~\$200k/day by 2019
- Semisubmersible rates reached highs of ~\$435k/day in 2014, before collapsing to ~\$200k/day by 2019
- Average Jack-up rates reached highs of ~\$165k/day in 2014, before collapsing to ~\$80k/day by 2019

Average Day Rates Over Time¹



Source: IHS Petrodata.

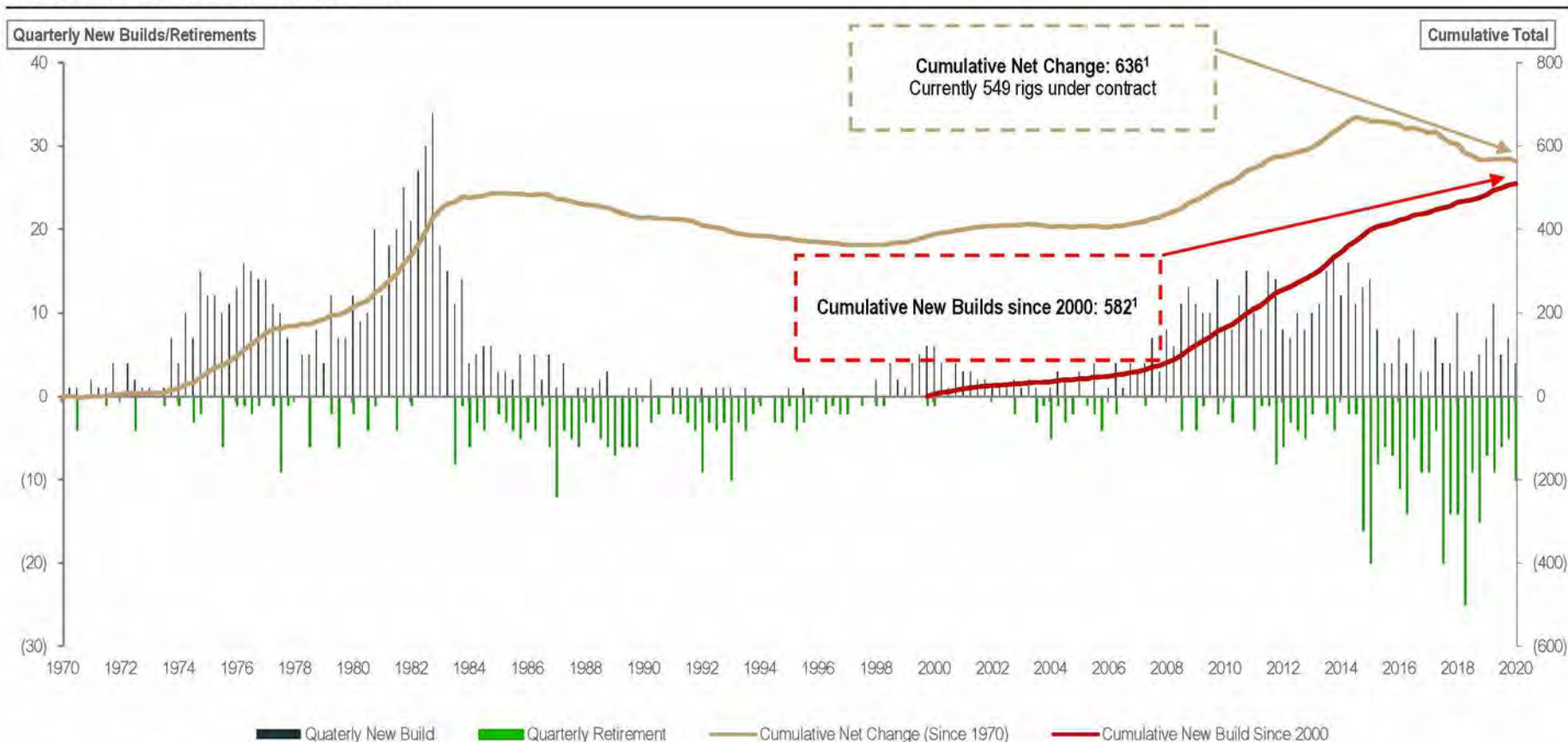
1. Day rates calculated as average day rate for new contracts by quarter based on start date of new contracts.



New Builds and Retirements Comparison Over Time (1970-2020)

Following the retirement wave from 1989-1993, global rig supply remained relatively constant until the build cycle of the mid-2000's significantly increased global rig supply

New Builds and Retirements Over Time



Source: IHS Petrodata.

¹ Cumulative figures inclusive of undelivered new builds.

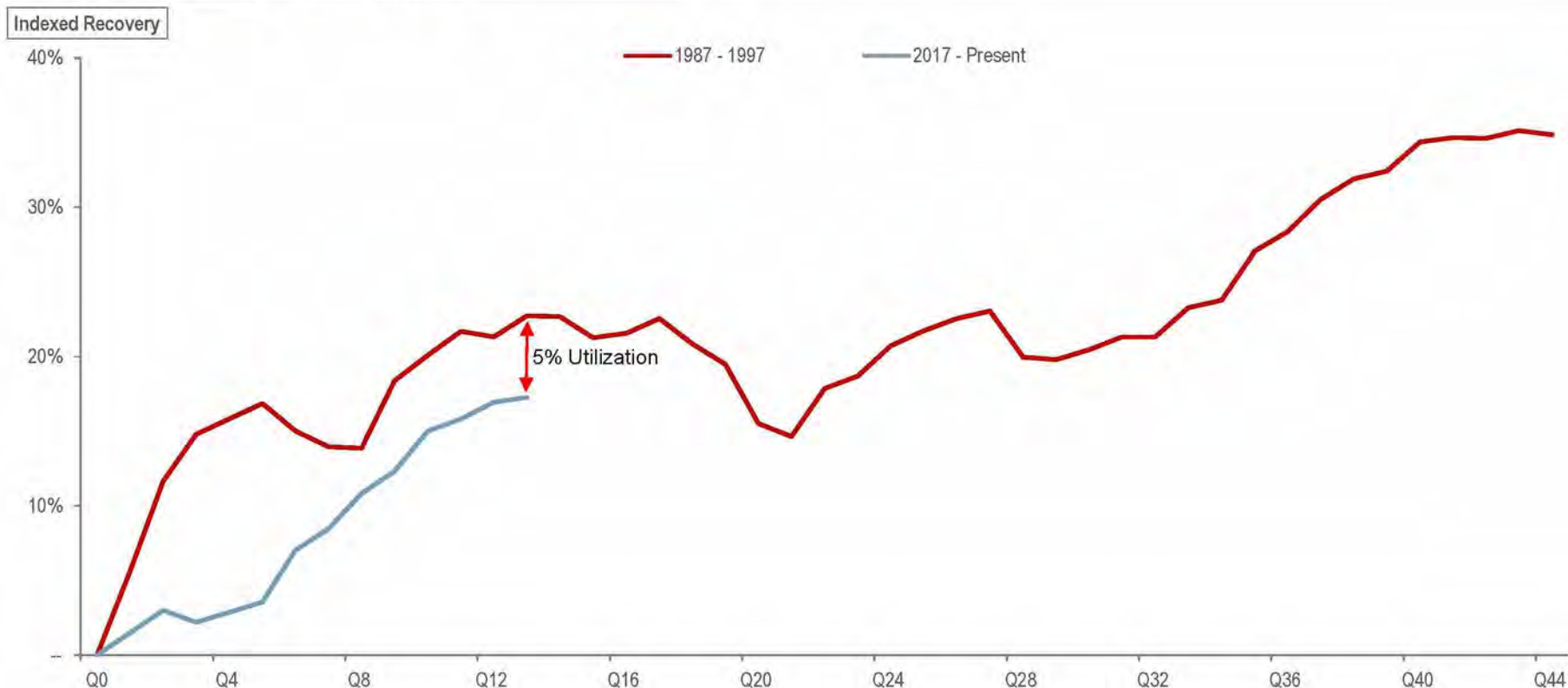


Illustrative Trough-to-Peak Recovery: Indexed Total Utilization

The analysis below compares the March 1987-December 1997 trough-to-peak utilization recovery to that taking place currently starting from the trough in 2017

- While the current cycle has shown a similar trend to the 1987-1997 recovery, it has experienced a slower recovery with current total utilization 5% points below the same point in the previous cycle

Trough-to-Peak Indexed Utilization Recovery



Source: IHS Petrodata.

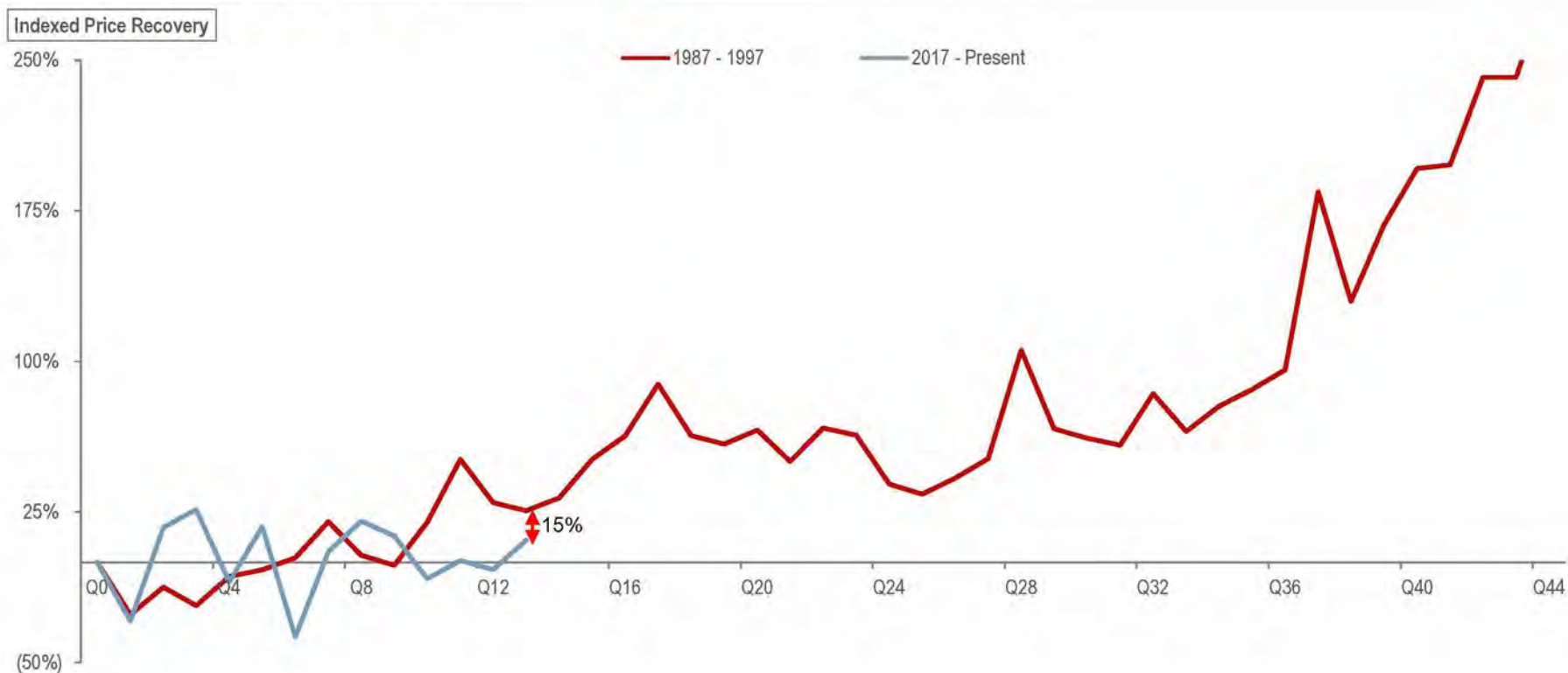


Illustrative Trough-to-Peak Recovery: Indexed Average Day Rates

The analysis below compares the March 1987-December 1997 trough-to-peak day rate recovery to that taking place currently starting from the trough in 2017

- While the current cycle has shown similar stagnant growth in day rates following the first three years of the trough, current day rates are ~15% points below that of the same point in the previous cycle

Trough-to-Peak Indexed Day Rate Recovery



Source: IHS Petrodata.

